

Doctoral Dissertation 2018

The Mechanism of HRM for Generating Women Managers: The Interaction between Top Management, Line Managers and Women

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Table of Contents:

List of Tables and Figures: (excluding Appendices 1-4)	# of page
Table 1. Comparative Percentage of Women Director, Managers and Employees	7
Figure 1. The M-Curve in an International Context	10
Figure2. Understanding Causation of Supply Side and Demand Side and Accelerate the Development of Managerial Women, thus Impacting Firm Performance	14, 180
Table 2. Summarizes the International Comparison of Transaction Costs	99
Table 3. Qualitative Comparison Data- Japanese Company A, Japanese Company B, GE and Samsung Electric	109
Table 4. Results of Comparison of Interviews- Japanese Company A, Japanese Company B, GE and Samsung Electric	145

Table of Contents:

Acknowledgement and Abstract	4,5
Chapter1. Introduction	7
1. Can Women Save Japan?	7
2. The Female Workplace and Culture in Japan	8
3. Abstract of Each Chapter	11
Chapter2. Previous Theoretical Perspectives	15
1. Individual	15
2. Organization	17
3. Firm	20
4. CEO	22
5. Japanese Context	23
Appendix (1): Women as Diverse of Japanese Firm's Success: The Effect of Women Managers and Gender Diversity on Firm Performance	32
Appendix (2): The Gender Diversity- Firm Performance Relationship by Industry Type, Working Hours, and Inclusiveness: An Empirical Study of Japanese Firms	62

Chapter3: Firm's Irrationality about Female Employment - International Comparison of Japan, French, UK and US.	86
1. Introduction	86
2. Problem of Japanese Female Labor	87
3. Transaction Cost Theory	88
4. Analysis Using Transaction Cost Theory	89
5. Support System for Women's Labor Force Return and Continued Employment- Case Studies in France, UK and US.	92
6. Conclusion	101
Chapter 4: How Gender Diversity Management in HRM is Implemented by CEO, Senior Management and Line Managers in the Workforce? -Empirical Studies in US, Korean and Japanese firms	103
1. Introduction	103
2. Theoretical Framework	105
3. Cases of HRM system- Japanese Company A, Japanese Company B, US Company GE (General Electronic) and Korean Company Samsung Electronic	107
4. Results from the Extensive Interviews	118
5. Conclusion	145
Appendix (3): Case Studies: Komatsu Co., ltd	153
Appendix (4): Case Studies: LAWSON Inc.	168
Chapter 5. Conclusion and Comprehensive Discussion	180
References:	194

Acknowledgements

The author thanks Professor. Atsushi Yashiro, for his supervisory advice during the study.

Also, she greatly appreciated the comments of Professor. Emiko Takeishi and Professor. Kenshu Kikuzawa for their great advice and help to get results of better quality.

Finally, she thanks the head of Human Resources Department of Firm Japanese company A, Japanese company B, General Electric in USA, executive officer of Samsung Electric in Seoul, executive officer of LAWSON Inc and ex-CEO of KOMATSU Co., ltd, who agreed in the interviews.

Abstract

First, will the corporate performance increase as the ratio of women managers increases? We found statistically significant positive relationships between 745 Japanese listed firms' performance and their percentage of women managers, after controlling for size, industry and various accounting, capital structure, compensation policy and corporate governance indicators. Therefore, higher women's managerial participation leads to better Japanese firm performance, and it can be said that it contributes to the Japanese economy.

However, for most companies the proportion of women managers was so low, averaging under 4%. Why? There could be various causes. In this dissertation, we examine why and how the "factor analysis of Japanese firms' organizations" which can facilitate gender diverse work environments and influence firm performance outcome. To examine this research questions, we organize to provide new economic lens which is examined by the supply side of women employees and the demand side of firms using Transaction Cost Theory and Agency Theory.

As a result of this analysis, we obtain the following conclusion.

The supply side of women employees, if a woman with career ambitions leaves her company and a couple of years pass, in a rapidly evolving environment, her skills and knowledge may become stale, such that a company, and even the woman herself, may not know whether she still possess special human capital or rather has become ordinary. Unfortunately, in Japan the latter possibility is very probable. In addition, if a woman with career ambitions is returning from an extended break in employment, under the traditional performance evaluation system which prioritize long working hours, then, she chooses not to return to work. Therefore, even woman with career ambitions did not return to work during these decades, and thus there is

less of a pipeline of managerial women now.

On the other hand, the demand side of company's CEO, if the CEO would like to employ diverse human resources without regard for gender to strengthen its competitiveness, asymmetrical of information and misaligned interest between senior management and line managers exist in the company. And information is asymmetrical, then, even when senior management seeks actively utilize talented women to heighten the company's productivity, managers may secretly engage in different, selfishly efficient actions.

From the above both side of supply and demand economic analysis, the companies which implement reduced working hours, various WLB systems, equal opportunities regardless of gender, and corporate child care facilities will benefit from the women talent who possess the will to build on their accumulated career experience and polish their skills as competitive advantage compared to the companies who has not implemented yet.

And the CEO's transformational and inclusive leadership, mediated by HRM system, and the execution of inclusiveness by line managers, if this trinity works effectively, can achieve the right positioning and fair evaluation systems, and accelerate the development of managerial women, thus impacting firm performance. In this way, women could save the Japanese economy.